



APRACA Newsletter

Acknowledged leader in rural and agricultural finance | Vol. 1 Issue 1



The 63rd APRACA Executive Committee Meeting held on 27 September 2013 in Paris, France

The 63rd Executive Committee Meeting of APRACA

APRACA Executive Committee held its 63rd meeting at Le Meridien Etoile Hotel in Paris, France on 27 September 2013 with the participation of the delegates from 13 Executive Committee Member Institutions and two ex-officio members. Out of the total 15 member institutions, the State Bank of Pakistan and the Vietnam Bank for Agriculture and Rural Development were absent from the meeting.

The Committee adopted ten (10) resolutions including, among others, the approval of the minutes of the previous meeting. The Committee also decided to hold the next Executive Committee meeting in May or June 2014 in Dhaka, Bangladesh, in conjunction with the 19th General Assembly of APRACA. The key resolutions adopted by the Committee were as follows:

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- Launching of ACE-Bank Keshavarzi Iran on Women Empowering through Rural Finance,
- Approval of Eight Membership Applications, and
- Recruitment of New Secretary General of APRACA.

Readers' Corner

We welcome any comments, suggestions or opinions from our readers which will be accommodated in the next issues.

From Secretary General



Greetings from the APRACA Secretariat, Bangkok!
Happy New Year!

It is my great pleasure to inform both APRACA members and its partners of the idea behind the publication of the quarterly APRACA Newsletter, starting January 2014.

Since its inauguration in 1977, APRACA continues to develop and expand its activities related to agricultural and rural finance in Asia and the Pacific Region. The successful development and growth of the Association can be mainly attributed to the active collaboration from its members as well as the solid support from its various key partners throughout its 37-year history.

So far, the APRACA website has served as a main platform for the Secretariat to disseminate information to the members as well as for its members to exchange their information and sharing their knowledge.

The new quarterly APRACA Newsletter will play both a complementary and a supplementary role in supporting the information dissemination and exchange as well as knowledge sharing. Importantly, it will help contribute to further development and growth of both the Association and its members through mutual cooperation and support.

The 4th World Congress on Agricultural Finance of Global RACAs

The 4th World Congress on Agricultural and Rural Finance was held on 26-28 September 2013 in Paris, France, with the participation of more than 300 delegates from 55 countries. Over 70 delegates from APRACA member institutions in 14 countries attended the Congress. Credit Agricole SA of France and Confederation Internationale du Credit Agricole (CICA) jointly hosted the Congress. CICA also worked closely with four Rural and Agricultural Credit Associations (RACAs) including APRACA, AFRACA, NENARACA, and ALIDE in co-organizing the Congress.



The Congress consisted of several sessions within two days at the Le Meridien Etoile Hotel near the Arc de Triomphe, central part of Paris, and one day excursion trip to Chateau de Fontainebleau in the suburbs of Paris.

At the closing, the delegates of the Congress adopted the 4th World Congress Agricultural and Rural Finance Final Declaration (top photo).

APRACA Secretary General, Mr. Won-Sik Noh (right) met with Mr. Jacques De La Rochefoucauld, Secretary General of Confederation Internationale Du Credit Agricole (CICA) during the Congress to discuss mutual cooperation in the future between their organizations (right photo). Mr. Noh expressed his sincere gratitude to Mr. Rochefoucauld for the excellent preparation of the Congress as well as the hospitality extended by the host organizations including CICA and Credit Agricole SA of France to all the participants.



Regional Training Course on Agricultural Value Chain Finance



Participants of Regional Training Course on Agricultural Value Chain Finance

Through the partnership of the United Nations Food and Agriculture Organization – Regional Office for Asia and the Pacific (FAO-RAP) and the Asia-Pacific Rural and Agricultural Credit Association (APRACA), the second batch of the regional training on agricultural value chain finance (RTAVCF) was conducted on 19 to 22 November 2013 at the SD Avenue Hotel, Bangkok, Thailand.

A total of 27 participants were invited from the APRACA member institutions in twelve (12) countries which included Bangladesh, Bhutan, Cambodia, India, Indonesia, Korea, Lao PDR, Malaysia, Pakistan, the Philippines, Sri Lanka and Thailand.

The training was packaged and organized as a teaching-learning platform for the participants to share their experiences and successful cases of AVCF implementation. There were eleven (11) institutional presentations which complemented the lecture-discussion shared by technical experts and practitioners from India, Korea and Thailand. This was supplemented by a field visitation to one of Thailand's Bank for Agriculture and Agricultural Cooperatives' (BAAC) supported cooperatives, the Wangnamyen Dairy Cow Cooperative Limited (WDCCL) in Wangsomboon District, Sa-Kaeo Province. The WDCCL is engaged in dairy production and processing activities. There are 15 members of the WDCCL Committee and 632 working staff. Presently, there are 948 members engaged in dairy cow production with 1,534 dairy cows as source of fresh milk for dairy processing by WDCCL.

The training gave the participants an in-depth appreciation of one of the best AVCF business models and strategies which are simple and easy to implement. The results and outputs of the training include the creation of improved financial strategy and services by enhancing the involvement of institutions in providing better access to its clientele and customers as they improve productivity and profitability through sustainable rural and agricultural development.



Ms. Pojaman, bank officer discussing the role of BAAC in enhancing financial access and delivery of support services with the training participants during the field visit at the WDCCL.



Dr. Marlowe U. Aquino, presenting the training synthesis and outputs to the participants during the closing program.

Regional Symposium on Organic Farming



Mr. Ralph Houtman delivering his welcome message to the participants of the Organic Supply Chain Workshop on 2-4 December 2013 at Pantip Suites, Bangkok, Thailand.

The Asia Pacific Regional Symposium on “Entrepreneurship and Innovation in Organic Farming” was held in Bangkok, Thailand on 2-4 December 2014. The Symposium was co-organized by the FAO Regional Office for Asia and Pacific (FAO-RAP), the International Federation of Organic Agriculture Movement (IFOAM), the Agricultural and Food Marketing Association for Asia and the Pacific (AFMA) and APRACA.

A total of 120 delegates attended the Symposium. They were from various organizations in Asia and the Pacific Region which were linked in diverse supply chain networks as well as from international organizations and NGOs. Among them were 14 participants from APRACA member institutions; five of them were financed by APRACA who served as speakers during the Finance Session of the Symposium.

Various issues on organic industry in the field of production, marketing, finance, and education were presented and discussed. A declaration was adopted at the closing session with a view to sharing the meeting results with all the institutions and parties concerned.

2013 Microcredit Summit Campaign

The 2013 Microcredit Summit Campaign (MSC) in the Philippines proved to be one of the most successful activities because of shared commitment in meeting the challenges of global poverty. It was conducted on 9-11 October 2013 at the Philippine International Convention Center, Pasay City, Philippines; attended by 650 participants around the world working on social and economic development sharing experiences and ideas through financing and development initiatives for people and communities.

The global financial inclusion movement seeks to ensure that all people in the world have access to the financial services they need to manage their cash flows, buffer themselves against financial shocks and take advantage of opportunities. The MSC, together with partners, is dedicating itself to forming partnerships announcing their commitments to helping 100 million families up-lift themselves out of severe poverty.

APRACA organized two 90-minute forums on agricultural finance in support to the Partnerships against Poverty. The workshop aimed to present and discuss issues and concerns, challenges and opportunities relevant in increasing and sustaining stakeholders’ participation and improving poverty condition of rural people and communities through rural and agricultural finance partnerships.

It highlighted key rural and agricultural finance initiatives particularly on agricultural value chain finance, microfinance in agriculture, knowledge management and community development. These initiatives were discussed alongside the perspective partnership and empowerment, rural and agricultural finance and sustainable development.

The invited speakers came from the Rural Scotland University, Edinburg, Scotland; One Acre Fund in Africa; International Labour Organization – Asia-Pacific Region; Development Academy of the Philippines-GSPDM; ASKI-Philippines and APRACA member institutions particularly the Agricultural Credit Policy Council in the Philippines, Sathapana Limited in Cambodia and Bank Indonesia in Indonesia.

The outputs of the APRACA organized forums included the development of a platform of partnership through innovative rural financing and sustainable agricultural development; descriptions of innovations of partnership, stakeholder participation and poverty alleviation initiatives in relation to rural financing; identified strategies influencing these innovations for broader adaptation, utilization and application; and strengthening of working partnerships among stakeholders in the Asia-Pacific Region and other areas for knowledge exchange particularly on rural and agricultural financing and development around the world. These could be found and downloaded at APRACA website (www.apraca.org) including APRACA’s Global Poverty Alleviation Commitment.

Exposure Study Visit on Microfinance in Agriculture

The Exposure Study Visit on Microfinance in Agriculture held on 10-14 October 2013 at the National Bank for Agriculture and Rural Development – Bankers Institute for Rural Development (NABARD-BIRD) in Lucknow, India was one of the most exciting activities of the FinServAccess project. Proven by the dynamic and interactive activities in the field, NABARD-BIRD ensured that the lessons learned on India's microfinance experiences are maximized and to the fullest.



The ESV participants together with NABARD-BIRD faculty during the briefing on the use of ICT gadgets in rural banking and microfinance activities in local communities.

There were nine (9) participants from Bangladesh (3), Cambodia (4) and Myanmar (2) willing to obtain added knowledge of best practices and interventions on microfinance. Specifically, the activities were focused on actual field activities in assisting local groups of people engaged in simple financial transaction through Self-Help Groups (SHGs) and the Joint Liability Groups (JLGs). The SHG and JLD as strategies are self-operating entities which place pressure on and strict commitment of members through responsibility and accountability in financial obligations. In addition, these strategies provide check and balance kind of arrangement for members to be socially and economically well-off as they respectively help each other uplift their living conditions.

Also, the visit to the NABARD Uttra Pradesh Regional Office and the Rajiv Gandhi Mahila Vikas Pariyojana Center for institutional organization and management provided the participants some perspectives of microfinance in India particularly local communities. Also, the participants witnessed and learned actual rural mobile banking with simple information and communication technology gadgets necessary in collecting and recording payments and debts of bank clientele. It was also fitting for some discussions with the SHG and JLG of the local communities on financial transactions and management.



A rural mobile bank officer (l) collecting financial payments of clientele. He also demonstrated the use of the ICT gadget to the ESV participants during their visit in Baina Tikerhar village, Uttra Pradesh.

Furthermore, it provided an opportunity to learn how NABARD-BIRD as an institutional capacity builder supports local people and communities to be technically able and financially viable through agricultural activities. Most of the shared lessons during the exposure study visit were on the utilization and application of community mobilization and organization strategies, use of information and communication technology and participatory monitoring and evaluation activities. All of these have bearing in making the groups and organizations more sustainable and have better access to financial services.

Through the identified strategies, the participants requested that these would be included as part of next year's FinServAccess project activities as they view them as relevant and fitting to the changing global trend in rural and agricultural finance. Not to mention, these would aid in strengthening the capacity of local smallhold farmers and their families towards productivity and profitability in agricultural activities and support operations.



The ESV participants joining the SHG and JLG in one of their meetings during the visit to the NABARD-BIRD coordinated villages on rural and agricultural financing.

Regional Training Course on Microfinance

Originally intended as a national training for Cambodian financial institutions, the training was elevated to become regional in scope to cater more participants engaged in microfinance in agriculture under the FinServAccess project. It was conducted on 10-15 November 2013 at Khamara Angkor Hotel and Spa, Siem Reap, Cambodia, hosted by the National Bank of Cambodia with the strong support of PRASAC Microfinance Institution, Sathapana Limited, Rural Development Bank and the HKL.

There were 24 participants coming from FinServAccess project countries, Bangladesh and Cambodia, particularly the Bangladesh Bank, ASA, Microfinance Regulatory Authority, PKSF, PRASAC Microfinance Institution, Sathapana Limited, Rural Development Bank and HKL. The invited technical resource speaker was Mr. Ragnatha Reddy of the Society for the Elimination of Rural Poverty in India.



Some of the RTCMAF participants discussing the issues and concerns and share ideas related to the implementation of microfinance in their respective financial institutions

The course highlighted that microfinance in agriculture enables financial institutions to work more directly with farmers, traders and processors by providing mechanisms for better access and better financial service delivery.

The training included three phases of shared teaching learning, namely; lecture-discussion on concepts, perspectives and strategies in microfinance, sharing of experiences and success stories, and evaluation and planning for next step. These activities were complemented by field visits to the projects financed by PRASAC Microfinance on marble and wood carving art works and entrepreneurship, Sathapana Limited on rice post-production and handling and poultry production, and HKL on mushroom production and duck raising. These activities are supported by small loans acquired by farmers

and/or families engaged in microfinance activities particularly on agriculture.

Overall, the training provided general understanding that the agriculture microfinance is risky as many aspects in the process, from production until marketing, are not certain and not controllable. After near saturation in urban areas the MFIs have made inroads into rural and remote areas. There are numerous reports that microfinance in rural areas is profitable, but indiscriminate lending without understanding the purpose for which the clients tend to use the credit might lead to delinquency. Also it is necessary to understand farmers' cash flows, and insist for some payment regularly before the loan is repaid. The loan administration process in banks is elaborate, and therefore, expensive, and may not suit micro-lenders. This process also demands qualified professionals to handle agricultural loan portfolio. They are designed for huge



The participants getting a briefing of HKL's operation on microfinance during the week-one training.

borrowings from a limited number of borrowers. Agricultural microfinance product has to be designed for large number of borrowers to borrow small amounts. Therefore, the loan administration process in agriculture microfinance has to be simple, effective, low cost and hassle-free, and at the same time it should address delinquency.

Given these insights, the participants mentioned that as they enter their respective financial reforms in response to the Asian Economic Community in 2015, they will use the lessons learned to be more sensitive to the needs of their clients and address them immediately in order that they will be more productive and profitable especially on activities requiring microfinancing to start or sustain small businesses.



2014 APRACA Activity Plan

Dates	Event	Venue
10-14 February	Replication and Pilot Testing of Agricultural Value Chain Finance	Surkhet, Nepal
March	Inception Workshop for new IFAD Grant Project	Bangkok, Thailand
21-26 April	Exposure Visit on Agricultural Value Chain Finance	Manila, Philippines
5-9 May	Replication and Pilot Testing of ICT Strategies and Tools Applied in Smallholder Microfinance in Agriculture	Lucknow, India
20 May	64 th APRACA Executive Committee Meeting	Dhaka, Bangladesh
21 May	19 th APRACA General Assembly	Dhaka, Bangladesh
22 May	Regional Policy Forum on Risk Management for Smallholder Farmers and Communities	Dhaka, Bangladesh
June	Regional Conference on Women Empowering through Finance	Iran
23-27 June	Replication and Pilot Testing of Risk Management Strategies and Tools for Lenders in Agricultural Financing	Bangkok, Thailand
4-8 August	Regional Capability Building Workshop on Innovative Agricultural Value Chain Finance for Smallholder Farmers and Entrepreneurs	Lucknow, India
18-22 August	Replication and Pilot Testing of Agricultural Value Chain Finance for Upland Farmers and Communities	India
1-5 September	Regional Dissemination Forum on Sustainable Microfinance in Agriculture	Phnom Penh, Cambodia
September	Regional Conference on Agricultural Lending Monitoring and Evaluation System	Vietnam
6-10 October	Replication and Pilot Testing of ICT Strategies and Tools Applied in Smallholder Microfinance in Agriculture	Phnom Penh, Cambodia
17-21 November	Replication and Pilot Testing of Agricultural Value Chain Finance for Upland Farmers and Communities	Dhaka, Bangladesh
November	65 th APRACA Executive Committee Meeting	not yet fixed



APRACA Executive Committee Members



Chairman

- *Mr. Kim Vada, Assistant Governor, National Bank of Cambodia*

Vice-Chairman

- *Mr. Shitangshu Kumar Sur Chowdhury, Deputy Governor, Bangladesh Bank*

Members

- *Mr. Zheng Hui, President, Agricultural Development Bank of China*
- *Dr. Harsh Kuman Bhanwala, Chairman, National Bank for Agriculture and Rural Development, India*
- *Mr. Sofyan Basyir, President and CEO, Bank Rakyat Indonesia*
- *Dr. Mohammad Talebi, Chairman & Managing Director, Bank Keshavarzi (Agricultural Bank), Iran*
- *Mr. Wataru Miyasaka, Senior Managing Director and General Manager, Japan Finance Corporation*
- *Mr. Choi Won-Byung, Chairman, National Agricultural Cooperative Federation, Korea*

- *Dr. Yuba Raj Khatiwada, Governor, Nepal Rastra Bank*
- *Mr. Yaseen Annwar, Governor, State Bank of Pakistan*
- *Ms. Jovita M. Corpuz, Executive Director, Agricultural Credit Policy Council, Philippines*
- *Mr. D.M. Gunasekara, General Manager, Bank of Ceylon, Sri Lanka*
- *Mr. Luck Wajananawat, President, Bank for Agriculture and Agricultural Cooperatives, Thailand*
- *Mr. Abdivakhob Tamikaev, Chairman of the Board, OJSCB Agrobank, Uzbekistan*
- *Mr. Trinh Ngoc Khanh, General Director, Vietnam Bank for Agriculture and Rural Development*

Ex-Officio Members

- *Mr. Ralph Houtman, Regional Marketing and Rural Finance Officer, FAO-RAP*
- *Mr. Won-Sik Noh, Secretary General, APRACA*

Membership Increase Campaign

APRACA introduced the membership increase campaign aiming at increasing the number of its members substantially during the period of July 2013 to June 2014. New members joining APRACA during this period will be eligible for in-kind compensation amounting to the admission fee and half of the annual membership fee for the first year. Current members that directly contribute to attracting new members will also receive benefits.

New Grant Project from IFAD

APRACA recently obtained a grant from the International Fund for Agricultural Development (IFAD) for a new project titled **“Project to Document Global Best Practices on Sustainable Models of Pro-Poor Rural Financial Services in Developing Countries”**. The four-year project starting from January 2014 will be implemented in five participating member countries of APRACA including China, India, Indonesia, the Philippines, and Thailand. The inception workshop of the project will be organized in March 2014.



Asia-Pacific Rural and Agricultural Credit Association

Acknowledged leader in rural and agricultural finance

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